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Sent: Thur 9/27/2012 3:50:44 AM

Subject: wsj article

BUSINESS

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EPA Says Wyoming Fracking Results Are Consistent

By TENNILLE TRACY

The Environmental Protection Agency said new government tests of groundwater near Pavillion, Wyo., have yielded results similar to data it released last year, when it suggested chemicals in the water were linked to hydraulic fracturing.

The EPA's contention was dismissed by Encana Corp., the natural-gas company operating in the area, which said the EPA was still offering a "flawed" interpretation of test results.

The new findings were released Wednesday by the U.S. Geological Survey, which tested water from one of two monitoring wells the EPA drilled after Pavillion residents started to voice concern years ago about the smell and taste of their water. The agency dug the two wells, both hundreds of feet deep, to test the area for signs of contamination.

Encana and natural-gas industry supporters said the wells were drilled into a natural-gas reservoir, which was why the agency found components of natural gas.

Wednesday's findings come after the EPA issued a draft report last December, saying it found chemicals in both wells that appeared to come from hydraulic fracturing, or fracking, the drilling technique credited with helping spur a boom in U.S. natural-gas production. Critics accused the EPA of jumping to conclusions before seeking the input of outside experts.

The EPA has said it would review comments and concerns before releasing a final report.

The EPA agreed to retest the Pavillion wells earlier this year. The agency hasn't yet completed its analysis of Pavillion's water and outside experts say it is too early to draw definitive conclusions from either the USGS data or the agency's draft report. The USGS presented its findings as raw data, leaving it to EPA and others to interpret them.

The EPA said USGS results are "generally consistent" with its data.

The USGS said it declined to test the water in one of the two EPA monitoring wells because the volume of water flow wasn't high enough to get good readings—relying on the other well for the tests.

"This goes to the heart of concerns raised by state and federal agencies, as well as Encana: EPA's wells are improperly constructed," Encana spokesman Doug Hock said.

Fracking opponents say the procedure poses a risk to the country's drinking-water supplies and should be regulated more strictly, if not stopped altogether. The natural-gas industry says fracking is safe as long as drilling is done correctly.

The EPA has repeatedly stressed that conditions in Pavillion are different from many other areas of the country because the fracking took place in and below the drinking-water aquifer and in proximity to wells that provide drinking water. President Barack Obama has voiced strong support for natural-gas production and says the industry can create jobs.

With a population of about 230 people, Pavillion has become an epicenter in a broader debate over fracking, in which energy companies pump a high-pressure mix of water, sand and chemicals into the ground to break open seams in the earth and unlock natural gas trapped inside.

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